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BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

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JIM IRVIN  
COMMISSIONER  
RENZ D. JENNINGS  
COMMISSIONER

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IN THE MATTER OF THE  
APPLICATION OF TUCSON ELECTRIC  
POWER COMPANY FOR APPROVAL  
OF ITS STRANDED COST RECOVERY

Docket No. E-01933A-98-0471

IN THE MATTER OF THE FILING OF  
TUCSON ELECTRIC POWER COMPANY  
OF UNBUNDLED TARIFFS PURSUANT  
TO A.A.C. R14-2-1601, et. seq.

Docket No. E-01933A-97-0772

IN THE MATTER OF COMPETITION IN  
THE PROVISIONS OF ELECTRIC  
SERVICES THROUGHOUT THE STATE  
OF ARIZONA.

Docket No. RE-00000C-94-0165

**COMMENTS ON STAFF'S REQUEST FOR PROCEDURAL ORDER**

Pursuant to the November 6, 1998 Procedural Order in the above dockets, Illinova Energy Partners submits the following Comments on Staff's Request for Procedural Order:

1. Although Staff believes expedited consideration of the Settlement Agreement is necessary to ensure competition begins on January 1, 1999, Staff's proposed procedural rush to judgment simply does not allow interested parties to adequately analyze and comment upon the proposed Settlement Agreement. Indeed, upon careful analysis, it may become apparent

1 that the proposed Settlement Agreement will chill -- or even completely stifle -- any  
2 meaningful competition. Expedited consideration here may actually delay competition.

3       2. The concern that the Settlement Agreement may inhibit competition is accentuated  
4 by the fact that many of the parties most interested in electric competition, including consumer  
5 groups and potential new entrants, were basically excluded from the negotiations. As a result,  
6 analysis by those parties may take additional time. Moreover, the short discovery period does  
7 not allow sufficient time to ask key questions -- and receive answers -- on issues that should  
8 have been addressed in the negotiation process.

9       3. Conducting an evidentiary hearing with a Commission vote at its conclusion may  
10 not result in careful, considered decisionmaking. It is likely that the hearing will raise  
11 numerous complex and difficult issues involving technical information. Post-hearing briefing  
12 would be important to provide the Commission with accurate, coherent information on the  
13 issues, particularly if the approval of the Settlement Agreement conflicts with the  
14 Commission's decision on stranded costs (Decision No. 60977).

15       4. Expedited consideration will effectively render public comment by the consumers of  
16 Arizona meaningless. The proposed dates for comment and hearing -- eight to eleven business  
17 days from the date of filing the proposed Settlement Agreement -- provides Arizonans with  
18 inadequate notice and time to voice their positions on these important issues that will affect  
19 them for years to come.

20       Therefore, Illinova Energy Partners requests that a procedural order be issued that  
21 allows all affected parties a reasonable opportunity to evaluate the proposed Settlement  
22 Agreement and provide comments and/or objections to the Commission.

23 ...


24 ...

25 ...

26 ...

1 DATED: November 10, 1998.

2 RESPECTFULLY SUBMITTED,  
3 BROWN & BAIN, P.A.

4 By:   
5 Lex J. Smith  
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10 Phoenix, Arizona 85001-0400

11 Attorneys for Illinova Energy Partners

12 Original and ten (10) copies of the  
13 foregoing filed this 10th day  
14 of November, 1998, with:

15 Docket Control Division  
16 Arizona Corporation Commission  
17 1200 West Washington Street  
18 Phoenix, Arizona 85007

19 COPIES of the foregoing hand-delivered  
20 this 10<sup>th</sup> day of November, 1998, to:

21 Mr. Jerry Rudibaugh  
22 Chief Hearing Officer  
23 ARIZONA CORPORATION COMMISSION  
24 1200 W. Washington Street  
25 Phoenix, Arizona 85007

26 Paul Bullis, Chief Counsel  
Legal Division  
ARIZONA CORPORATION COMMISSION  
1200 W. Washington Street  
Phoenix, Arizona 85007

COPY of the foregoing mailed this  
10th day of November, 1998, to:

All parties of record in Docket Nos. E-01345A-98-0473,  
E-01345A-97-0773, and RE-00000C-94-0165

